STATE OF KANSAS

UPPER ARKANSAS RIVER CONSERVATION RESERVE ENHANCEMENT PROGRAM FY2008-09 LEGISLATIVE REPORT

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Executive Summary

The Upper Arkansas River Conservation Reserve Enhancement Program is a unique, innovative water management project which has been in development for many years. It was approved by the Kansas Legislature in 2008 as a major cost-leveraging mechanism to facilitate permanent water right retirements and long-term water conservation in a critically arid area of the State. The damage awards received from prolonged years of hard-fought efforts in KS v. CO No. 105 provided the statutorily protected basis for the five year investment in this program. The principal benefits are especially realized by the producers and residents of the area who have suffered historic water and economic deprivations from Colorado, as well as the water supply benefits enjoyed by our entire state citizenry.

Since its official initiation just one brief year ago, 16,479 acre-feet of annual water right authorization has already been permanently retired. That amount alone is sufficient to meet the annual needs of Ark River Basin communities such as Garden City and Dodge City well into the future. An additional 8,198 acres of associated erodible land are now enrolled in the Conservation Reserve Program with the Farm Services Agency, the State‘s chief partnering agency in this landmark effort. In addition to the federal government, multiple state and local agencies and private associations are integrally involved in the effort to obtain even more productive, sustainable results over a very broad spectrum of natural resource needs. Special concerns such as permanent re-vegetation of the fragile sandhill areas of Southwest Kansas are exemplary of the critical issues capable of being addressed by this project.

As of December 31, 2008, a total of $496,670.66 has been expended by the State Conservation Commission for the State Upfront Payments (SUPs) in 50 separate contracts to producers who have been approved and enrolled in the CREP program. *Based on these 50 contracts alone, producers will receive approximately $14.5 Million in additional direct payments from FSA over the 14-15 year contract period of the CREP enrollment.*

The Kansas Legislature has currently authorized the program to a capacity of 40,000 total acres over the five year life of the enrollment period. The State’s official MOA with USDA currently provides for a cooperative enrollment of up to 20,000 acres with special restrictions to minimize economic impacts. Funding for the State’s producer incentives is currently authorized by the Legislature until June 30, 2009.

Overview

The 2007 and 2008 Kansas Legislature approved funding for a Kansas Upper Arkansas River Conservation Reserve Enhancement Program (UAR CREP). The CREP is a United States Department of Agriculture (USDA) program that creates individual rules and special conditions and rates for a geographic region or watershed. The State Conservation Commission, the Kansas Water Office and the Kansas Department of Agriculture worked with USDA's Farm Service Agency and Natural Resources Conservation Service to develop and launch the Upper Arkansas River Conservation Reserve Enhancement Program (CREP).

A Memorandum of Agreement (MOA) was signed by Governor Sebelius on November 27, 2007 and on December 4, 2007 by acting Secretary Charles F. Conner, U.S. Department of Agriculture. This officially established the Kansas UAR CREP.

The Kansas UAR CREP is a unique, voluntary program that provides incentives and cost sharing to participants that enroll their land into eligible conservation practices such as native vegetation establishment or wildlife conservation for a period of 14 to 15 years. The CREP area lies within 10 counties along the Arkansas River corridor, covering 1,571,440 acres. In the CREP area, 718,683 acres are authorized for ground water irrigation; approximately another 10,680 acres are authorized for irrigation from surface water. The state seeks to enroll up to 20,000 acres into the program under the current MOA - 17,000 acres of irrigated land, and 3,000 acres of dryland corners from irrigated circles. Reducing irrigation demands on the stream-aquifer system will help slow the aquifer declines, mitigate the spread of saline waters into the aquifer, and help restore stream and riparian health.

History

The CREP project area lies within the upper Arkansas River basin. Overall, the target area includes portions of ten counties (Hamilton, Kearny, Finney, Gray, Ford, Edwards, Pawnee, Stafford, Barton and Rice Counties) and two groundwater management districts (Southwest Kansas GMD3 and Big Bend GMD5) along the river corridor. The 1,571,440 acre project area has hydrologic interaction with the Arkansas River due to surface flow and ground water pumping. The main water sources for producers within the project area are local stream / river surface waters, and the alluvial and High Plains aquifers. The Arkansas River flows from headwaters in the Rocky Mountains, and has been diverted for over 100 years for irrigation in Colorado and Kansas. The river and ground water system have had several decades of well-documented flow depletions entering the State of Kansas, and ground water declines in the aquifer are resulting in loss of baseflow to the river, decline in well yields, and in some locations, degradation of ground water quality.

The Arkansas River is a resource of state and national concern for both water quantity and water quality. The flow into Kansas is extensively controlled though releases from the John Martin Reservoir in eastern Colorado, and is managed through the Arkansas River Compact Administration. Reduced flows as the river entered Kansas, in violation of the compact, have historically resulted in stream flow depletion, ground water

declines, and economic damage. The river is also one of the most saline in the nation where it enters Kansas, a result of the extensive concentration of salts occurring from irrigation use and reuse. The declining flows and deteriorated water quality threaten the viability of this important surface water source in western Kansas. Correlated with the reduced flow and increasing salinity of the river is the degradation of riparian health and wildlife habitat. Native plant communities have declined, and there has been an extensive and aggressive infestation of tamarisk and other non-native phreatophytes.

Kansas-Colorado Arkansas River Compact Update

The Kansas-Colorado Arkansas River Compact was negotiated in 1948 between the States of Kansas and Colorado with participation by the federal government. Its stated purposes are to settle existing disputes and remove causes of future controversy between the States of Colorado and Kansas concerning the waters of the Arkansas River, and to equitably divide and apportion between the states of Colorado and Kansas the waters of the Arkansas River as well as the benefits arising from John Martin Reservoir.

Chief Engineer David Barfield serves as one of three Kansas Compact Commissioners along with David Brenn and Randy Hayzlett. Kevin Salter, Kansas Department of Agriculture, serves as Assistant Operations Secretary of the Compact Administration. Kansas Department of Agriculture staff provides technical and legal support.

Kansas filed Kansas v. Colorado, No. 105, Original, in 1985 to enforce the terms of the Arkansas River Compact. In 1994, Special Master Littleworth recommended that the Supreme Court determine that Colorado had violated Article IV-D of the Arkansas River Compact by means of post-compact well pumping in Colorado. On May 15, 1995, the United States Supreme Court agreed.

Since March 2005, both states, under the guidance of the Special Master, have been updating the Hydrologic-Institutional (H-I) Model through 2004 and drafting the final decree. The Decree will include the H-I Model that will be used to determine if Colorado is in compliance.

The Special Master submitted his Fifth and Final Report to the United States Supreme Court in January, 2008, including the “Judgment and Decree” which was jointly developed by Kansas and Colorado. Oral arguments before the Supreme Court were heard in early December, 2008. Colorado compliance with the Compact will be determined using a hydrologic-institutional model and accounting procedure as set out in the decree.

In 2005 and 2006, Colorado paid Kansas damages for Colorado's compact violations during the period 1950 through 1999, totaling $35,725,092. This money has been deposited in three funds created by statute that specify generally how and where the money will be spent. About $10 million was deposited into a Water Conservation Projects Fund, (WCPF) and more recently, transferred into a Western Water Conservation Projects Fund (WWCPF). This fund is used in the impacted area for

water efficiency, management and conservation purposes and is part of the non-federal match for the Upper Arkansas River CREP.

CREP Steering Committee

The Upper Arkansas River CREP Steering Committee consists of the State Conservation Commission, the Kansas Water Office, the Kansas Department of Agriculture - Division of Water Resources, the Kansas Department of Health and Environment, the Kansas Department of Wildlife and Parks, and the Kansas Geologic Survey. These state agencies are joined by the Farm Service Agency, Natural Resources Conservation Service, and Groundwater Management Districts #3 and #5.

The Committee met on March 14th 2008, with some members linking in by teleconference and Glance session. The purpose of the Steering Committee was reviewed and the committee was provided an update of the current enrollment. Committee input on program improvements and on progress of the CREP program in meeting objectives and ways to improve it will be valuable, especially as the impact of water right retirements and land enrolled in conservation practices starts to become measurable.

The input and support of all these agencies, except for the Kansas Geologic Survey, was obtained on the need to amend the MOA, to address problems encountered establishing grass on acres with soils highly susceptible to wind erosion. All members agreed that increased flexibility for limited irrigation is necessary on any application acres that contain even a few acres of this highly erodible soil. Additionally, some acres transitioning to a permanent vegetative cover may require more than 24 months of limited irrigation to get a successful establishment of grass. Because irrigation is done at the landowner's expense, the Committee was comfortable that there would not be any unnecessary irrigation, but just enough to successfully establish the approved covers.

CREP Project Implementation Summary

The CREP program is designed to protect water quality and extend the usable life of the High Plains aquifer by retiring water rights on up to 20,000 acres of land in Barton, Edwards, Finney, Ford, Gray, Kearny, Pawnee, Rice and Stafford counties. Hamilton County is also eligible for the program, but it currently exceeds the maximum CRP acreage that can be enrolled in any singular county. The Kansas Legislature approved the program size as 40,000 acres; however, the MOA was initially reduced to the 20,000 acre level because of a State added limitation which allows only one acre to be enrolled in CREP for every two acres of currently enrolled CRP expiring after 2008.

The Kansas Farm Service Agency began accepting applications to enroll land in the CREP program on December 20, 2007. Application was made in the county where the land is located, and all applications are considered on a first-come, first-served basis. Farmers who enroll irrigated cropland in the program and permanently retire their water rights will receive rental payments for 14 to 15 years at rates between $100 and $125

per acre per year. Rates vary depending on the county and irrigation system currently in place. Cost-share funds are available for seeding and well plugging on enrolled land. Enrolled land can be leased for hunting.

The goals of the CREP are to enroll up to 20,000 acres of eligible cropland under the program within the designated area to significantly reduce the amount of irrigation water consumptively used and improve water quality through the reduction of agricultural chemicals and sediment entering waters of the State from agricultural lands, and to impede the spread of poor quality river water into the fresh alluvial and High Plains aquifers. The reduction of irrigation water use and of non-point source contaminants, through permanent termination of water rights appurtenant to the land enrolled in CREP and the establishment of permanent vegetative cover and other conservation practices, will slow the aquifer declines and loss of baseflow, enhance associated wildlife habitat (both terrestrial and aquatic), and conserve energy.

Successfully meeting the goals and objectives of the CREP involves interagency cooperation and adherence to a coordinated implementation plan. The implementation plan covers each agency's responsibility and the step-by-step process for outreach, processing applications, providing technical assistance, and monitoring success.

The CREP is being implemented through continuous signup on a first come, first priority basis, until a county reaches the CREP program maximum for enrolled acres or the federal limit on CRP acreage enrolled in one county. The application enrollment pattern in the first year had high interest in December of 2007, and in January and February of 2008, with a peak of over 13,000 acres offered for enrollment. By March, inquiries slowed, as most landowners had made decisions on their land if a crop were to be planted. A number of applications were withdrawn as some land sold. Others were withdrawn as crops were put in, and this was also a year of very high commodity prices and escalating land values. There were also a number of applications that did not meet the Federal or State eligibility criteria. Finally, there were some inquiries that did not lead to applications, because it appeared that the county cap had been filled for Kearny and Gray Counties. A State requirement is that no more than 25% of the CREP program acres can be in any one county.

Outreach

Public outreach for the CREP was initiated prior to and during the preparation of the project proposal to gather information and assess public support. Many outreach meetings have occurred on the CREP throughout western Kansas and during the Legislative session. The implementation team developed an informational brochure on CREP for use during the awareness campaign (attachment A). A coordinated approach to outreach and support will continue through implementation of the program. Much of the initial success of the CREP is a result of strong marketing of the program to producers interested in the program. The outreach was accomplished through direct mailings, newspaper press releases, educational brochures, radio broadcasts and local informational meetings. Each of the agencies cooperating in the program was responsible for the outreach component, but the KWO, SCC, GMDs #3 and 5, and the local Conservation Districts were especially instrumental. A listing of outreach activities can be found in attachment A.

Technical Assistance

Technical assistance is provided to the producers enrolled in the CREP by USDA Natural Resource Conservation Service and the State Conservation Commission. There have been a number of meetings between NRCS and the producers discussing the challenges of transitioning to a permanent cover on soils that are highly susceptible to wind erosion. The majority of the enrolled acres are in this category. The process for implementing CREP in Kansas (KCREP_IP_02) has been modified to indicate the NRCS will meet on at the CREP site with the participant (Exhibit C).

Agency and Organization Cooperation

The ***Kansas Water Office (KWO)***, the state's planning agency for water issues, provides direction for the CREP program development. KWO contributes to public outreach through presentations at the Upper Arkansas Basin Advisory Committee (BAC) and Kansas Water Authority meetings and to other interested stakeholders. KWO works collaboratively with SCC and each of the agencies identified below to prepare and provide USDA with annual CREP progress reports. The Kansas Water Office is also the lead on amending the CREP Agreement with USDA. The Director, KWO, had administered the Water Conservation Projects Fund for projects in the Upper Arkansas River corridor that provide water conservation, efficiency gains and aquifer recharge. In July, 2008, the fund and administrative duties transferred to GMD3, as directed by Senate Bill 534. The KWO Director continues to review and give approval for proposed projects recommended by GMD3 and the Arkansas River Litigation Funds Advisory Committee.

The ***State Conservation Commission (SCC)*** coordinates with local groundwater, watershed, & county conservation districts, state & federal agencies, and other conservation partners to implement programs that improve water quality, reduce soil erosion, conserve water and reduce flood potential. SCC administers the state portion of the CREP, and is responsible to contract with eligible participating entities for the state SUP incentive payments; to review, and make assurances that all CREP eligibility criteria are met and correctly documented; to assure that the relevant water right is properly and permanently dismissed; and to provide appropriate recommendations regarding final approval of FSA CREP applications. The SCC also administers another solely state funded water right retirement program (Water Transition Assistance Program). SCC utilizes an existing staff position as the State CREP Coordinator to facilitate and oversee the CREP in the Upper Arkansas basin.

The ***Farm Services Agency (FSA)*** is the lead USDA agency for CREP. FSA provided the first public announcement of the program signups and made broad outreach to all potentially eligible persons. FSA field office staff work with landowners and producers to determine if CREP is a program that fits for their acreages and circumstances. They initiate the contract with interested parties, provide estimates of payments, and work to determine suitable conservation practices. Final approval of contracts comes from the FSA County Committees. FSA has no responsibility for the water right terminations, but coordinates with SCC and the Division of Water Resources as to the sufficiency of the voluntary dismissals.

The ***Kansas Department of Agriculture, Division of Water Resources (DWR)*** provides verification of water rights in good standing, administration of retired water rights, issuance of term permits, well administrations, and monitoring of aquifer levels and streamflows. The Division of Water Resources has provided, and will continue to provide, legal partitioning of water rights as necessary. This agency assists the Arkansas River Compact Administration with compact compliance. The Chief Engineer reviews proposed project applications for water conservation and efficiency in the Upper Arkansas River basin for funding through the former Water Conservation Projects Fund, now known as the Western Water Conservation Projects Fund, efforts that are consistent with the CREP objectives.

The ***Kansas Department of Health and Environment (KDHE)*** monitors surface water quality in the Arkansas River and tributaries. Activities include collection and preparation of chemical, bacteriological and radiological lab samples taken from Arkansas River at up to 7 sites located between Coolidge and Great Bend, and analysis for chemistry, microbiology and radiological content of samples. KDHE coordinates water quality issues and meetings with Colorado and Kansas state agencies, and stakeholders.

The ***Kansas Geological Survey (KGS)*** provides annual monitoring of aquifer levels. The Survey also provides technical studies on the areal salinity fate and transport, aquifer characterization, and ground water modeling. The Survey maintains a long-term research site for investigating phreatophyte and stream-aquifer interactions in the Arkansas River valley at the USGS gage site northeast of Larned, within the CREP project area. Most of the wells are screened in the alluvial aquifer and a few are screened in the underlying High Plains aquifer. Most of the wells are instrumented with pressure transducers that record water levels on a 15-minute time interval year round. Periodic measurements of specific conductance are made in the wells and at least one sample a year is collected from most of the wells. In future years, data from this site may be used along with other sites with water-level data in the CREP area in conjunction with the model for the Middle Arkansas River subbasin to determine the effect of reduced pumping from CREP on the system.

Kansas Department of Wildlife and Parks (KDWP) provides fish and wildlife population monitoring. KDWP conducts wildlife and habitat surveys through several programs including stream monitoring and assessment and shorebird surveys. KDWP conducts statewide stream surveys to document the current range and distribution of stream species. Since 2002, KDWP has coordinated a volunteer effort to survey shorebirds at wetlands throughout Kansas. Portions of these ongoing survey efforts as well as additional wildlife population monitoring activities can serve as in-kind contribution towards the CREP project. KDWP also monitors visitation rates at Cheyenne Bottoms Wildlife Area, which will be used in the evaluation of one CREP objective.

Groundwater Management Districts (GMD) **5 and 3** monitor water levels, collect water quality samples, recommend water management actions to the Chief Engineer, review and advise on water conservation projects in the Upper Arkansas River valley and basin, and promote water conservation. GMD5 also provides payments for

purchase and retirement of water rights, and payments for multi-year non-use of the irrigation water right. Both GMDs have sponsored stakeholder meetings to help explain and promote the Upper Arkansas River CREP. The GMDs have also provided technical assistance to interested parties on possible partitioning of water rights or fields to meet both the CREP eligibility criteria and the needs of the producer.

In August 2008, GMD3 received the Water Conservation Projects Fund Grant, as directed by SB 534 to administer the remaining funds. The funds are to be used for the same purposes as when it was administered by the Kansas Water Office; to improve water use efficiency, water conservation, and aquifer recharge in the area of impact from past Arkansas River Compact violations. These projects are consistent with the water quantity, water quality and habitat improvement goals of the Upper Arkansas CREP.

Kansas State University **(KSU)** has provided public outreach support to the cooperating state and local agencies involved with this CREP submission and implementation. KSU has hosted stakeholder meetings in the fall of 2007, to explain the upcoming CREP. Additional stakeholder meetings are planned for the 2008-2009 program period. Extension agents with expertise in related areas important to the CREP project are available to answer questions posed by users of the program. Cooperative Extension has established outreach networks to transfer important information and results to clientele and end users of program information.

KSU also has the capacity to analyze and interpret economic impacts as the CREP program is further implemented. These changes include both positive and negative impacts in the basin communities. Positive impacts will result from changes in the environment as less water is diverted for irrigation and remains in the stream flow and aquifer, and the useable life of the aquifer is extended. Negative impacts result from decreased economic activity as land is removed from irrigated agricultural production, whether temporary or permanent.

The ***Natural Resource Conservation Service (NRCS)*** provides technical assistance on CREP contracts. As needed, NRCS employees visit the offered acres and work with the producer to determine if the proposed conservation practices are appropriate and suit their needs. They may later visit to confirm successful implementation of the practices. NRCS personnel develop the Conservation Practice of Operation (CPO) for the producer.

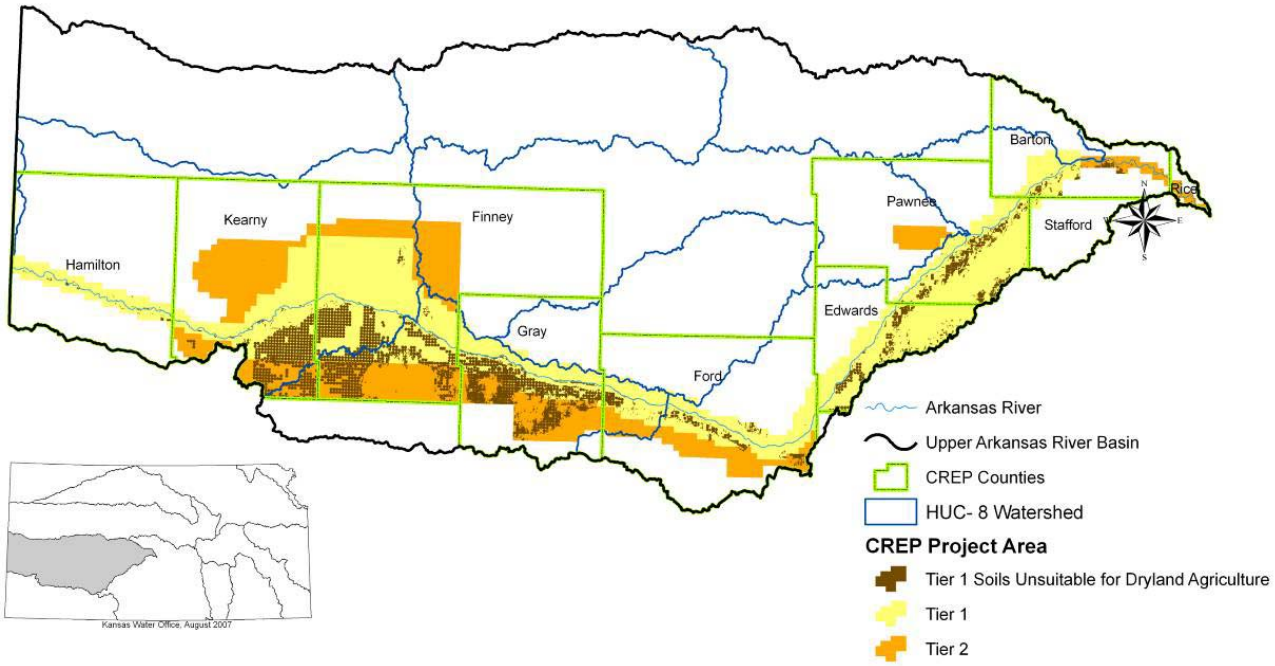


Figure 1: Map of Upper Arkansas River CREP Eligible Project Area

Water Conserved

The total water rights, measured in acre-feet, offered and accepted for retirement in CREP from beginning of enrollment, December 20th, 2007, through December 31, 2008 are shown in the table below, broken out by county. In total, 16,479 acre-feet of authorized quantity has been or will be permanently retired from irrigation through enrollment into the Upper Arkansas River CREP.

CREP County	Estimated Authorized Quantity (Acre-Feet) of Water Permanently Retired on Approved Acres
Barton	
Edwards	
Finney	834 AF (on 703.6 approved acres)
Ford	
Gray	6313 AF (on 2919.94 approved acres)
Hamilton	
Kearny	8925 AF (on 4332.79 approved acres
Pawnee	407 AF (on 241.7 approved acres)
Rice	
Stafford	
Total	***16,479 AF (on 8198.03 approved acres)***

Land Conserved

A total of 8198.03 acres have been offered, approved and enrolled into the CREP program as of December 31, 2008. (See maps of CREP counties showing location of acres enrolled in Attachment D). .

The following table identifies the number of contracts and acres by county represented by the acres offered for enrollment in 2007 and 2008.

CREP County	Contracts Offered prior to December 31, 2007	Acres Offered prior to December 31, 2007		Contracts Offered after January 1, 2008	Acres Offered after January 1, 2008		Total Acres Offered since Program Initiation
Barton							
Edwards							
Finney	10	1,975					1,975
Ford							
Gray	27	5,138		1	242		5,380
Hamilton							
Kearny	31	5,572		1	126		5,698
Pawnee	2	241					241
Rice							
Stafford							
Total	***70***	***12,926***		***2***	***368***		***13,294***

Ground Water Monitoring Activities

It is pre-mature to measure the change in ground water levels in this first year of enrollment. The majority of the acres enrolled in the Upper Arkansas CREP are requiring limited irrigation to get a permanent vegetative cover established on soils highly susceptible to wind erosion. Additionally, many of the acres did not get contracts established until mid-year. It is unlikely to have a measureable impact this first partial year. However, ground water level measurements and annual water use reports are being collected for the CREP project area. .

Following is a summary of the anticipated methodology for this objective. Average groundwater levels and a map of the location of monitoring wells are provided in Attachment E.

Water levels have been monitored at least annually at numerous locations in the CREP counties. The map below includes the locations of historical water level measurements in the area. Groundwater Management District #5 obtains water level measurements from 25 wells in the CREP area. Annual measurements are collected from 14 of these

wells and quarterly measurements of 11 wells are planned to continue. Data collected from each of these measurements will be used to assess the progress towards meeting this objective.

Water levels within the boundaries of the CREP area, particularly in the areas where contracts are approved, will be measured over time. One option is to compare monitored changes with predicted changes based on the Middle Arkansas subbasin computer modeled scenarios.

Annual irrigation water usage in CREP area during 2006 and 2007

Annual water use reports have been received and verified by the Kansas Department of Agriculture, Division of Water Resources for the 2006 and 2007 reporting years. Reported irrigation water use and the number of irrigated acres within the CREP Project Area for 2006 and 2007 are shown in the table below.

County	2006 Reported Irrigated Acres within the CREP Project Area	2006 Irrigation Reported Water Use (Acre-Feet) within the CREP Project Area	2007 Reported Irrigated Acres within the CREP Project Area	2007 Irrigation Reported Water Use (Acre-Feet) within the CREP Project Area
Barton	16,314	16,872	16,599	15,898
Edwards	38,835	40,872	35,741	30,375
Finney	209,757	284,785	204,649	248,916
Ford	43,158	51,739	42,898	44,833
Gray	86,507	112,794	81,547	94,995
Hamilton	11,180	20,045	10,899	13,270
Kearny	104,196	165,742	86,387	126,609
Pawnee	51,525	49,602	48,709	38,983
Rice	526	429	336	281
Stafford	628	677	628	601
Total	**562,626**	**743,556**	**528,393**	**614,762**

Summary of Non-Federal Program Expenditures

The State of Kansas, with its partners of other state agencies, Conservation Districts, Groundwater Management Districts, and Pheasants Forever have provided a cost share that meets or exceeds the required 20% match of federal costs. The State of Kansas agreed to pay not less than 20% of the program costs, as required for a CREP program, through a combination of direct payments, technical assistance and inkind contributions. No less than 10% of this match is in direct payments. In total, the first year non-federal expenditures equal to $1,180,751.20. Kansas had a first year state direct match of

$528,762.26; most of this is from the state upfront payments that are made to producers for every irrigated acre enrolled once the CREP contract is signed.

Direct Match from December 6, 2007 to September 30, 2008

Organization	Amount	Activities
State Conservation Commission, State Upfront Payments	$385,672.28	State -payments to producers on irrigated acres
State CREP Coordinator	$73,099	Coordinate implementation of program with FSA, Conservation Districts, NRCS, and state agencies.
State Conservation Commission	$1,953	Cost share on well plugging and other allowed practices
Water Conservation Project Funds	$38,046.40	Ditch Lining, Alternate Delivery route, Lake McKinney storage capacity and bypass, and aquifer recharge
Pheasants Forever/Quails Forever	$0.00	Cost share on seeding; loan of grass seeder
Kansas Water Office	$29,991.58	Cost share on tamarisk control, or wetland bonus payments
Total Direct	**$528,762.26**	

State Upfront Payments by County from December 6, 2007 to September 30, 2008

COUNTY	State Upfront Payment SFY 2008	State Upfront Payment SFY2009	COUNTY TOTAL
Barton	$0.00	$0.00	$0.00
Edwards	$0.00	$0.00	$0.00
Finney	$8,022.80	$0.00	$8,022.80
Ford	$0.00	$0.00	$0.00
Gray	$79,712.82	$15,012.68	$94,725.50
Hamilton	$0.00	$0.00	$0.00
Kearny	$260,632.50	$8,000.48	$268,632.98
Pawnee	$14,291.00	$0.00	$14,291.00
Rice	$0.00	$0.00	$0.00
Stafford	$0.00	$0.00	$0.00
TOTAL	**$362,659.12**	**$23,013.16**	**$385,672.2**

As of December 31, 2008, a total of $496,670.66 has been expended by the State Conservation Commission for the State Upfront Payments (SUPs) in 50 separate contracts to producers who have been approved and enrolled in the CREP program. Based on these 50 contracts, producers will receive approximately $14.5 Million in direct payments the FSA over the 14-15 year contract period of the CREP enrollment. (Producers also receive other cost-share money from FSA.)

Services by Organizations from December 6, 2007 to September 30, 2008		
Organization	**Actual**	**Activities**
Technical Assistance		
Water Conservation Projects Fund/Western Water Conservation Projects Fund Management	$ 5,603.01	Administration of fund, review of proposals and studies, coordination with Ark River Litigation Committee.
Kansas Dept of Agriculture, Division of Water Resources	$ 20,812.27	CREP database maintenance, water right reviews, divisions and retirements for applications. Pay periods 1-6, 13-20, 21-26
Kansas Geological Survey	$112,600.00	Water level monitoring, Technical Assistance, ground water modeling , practical saturated thickness characterization, water quality
Kansas Dept of Wildlife and Parks	$13,588.61	Wildlife and Fish population investigations in CREP counties.
Kansas Conservation Districts	$545.00	Finney, Ford, Pawnee Stafford Counties reported
State & Local In-kind		
State Conservation Commission	$209,287.91	Cost share on acceptable practices within the Upper Ark CREP watershed.
Water Conservation Projects Fund	$46,446.40	River channel improvements and expanded efficiency of water from Colorado. *
Big Bend Groundwater Management District #5	$47,900.00	Water right management; payments to not irrigate; water right purchases for retirement in CREP area
Southwest Kansas Groundwater Management District #3	$129,405.70	Water right management in CREP area.
Kansas Department of Health and Environment	$28,147.72	Quarterly sampling of Ark River water quality; Ark River coordination meeting with Colorado; (2nd, 3rd, 4th qtr)
Kansas Water Office	$15,325.32	Weather modification and tamarisk recovery, and CREP implementation.
Geographic Information Systems	$22,327.00	Land cover and High Plains playa coverage, percent of counties
TOTAL	**$651,988.94**	

Progress on CREP Objectives

1. Enroll a maximum of 20,000 acres into CREP in the project priority area (17,000 irrigated acres, 3,000 from dryland pivot corners as part of whole field enrollment), with a goal of up to 18,600 acres put into native grass.

   So far, a total of 8,198.03 acres have been offered, accepted and enrolled into the CREP program (as of December 31, 2008). All but a few acres are being put to conservation practice CP2, to be seeded into native grass. The exception is a few acres on a contract in Pawnee County that is using conservation program CP10, established vegetative cover.

2. Reduce the application of ground water for irrigation in the targeted area by 29,750 acre-feet, annually, with the enrollment of 17,000 irrigated acres.

   So far, a total of 16,479 acre-feet of authorized water rights for irrigation, on 8198.03 acres enrolled, are to be permanently retired (as of December 31, 2008). This is averaging just over 2 acre feet per acre, a rate higher than estimated in the CREP objective. [Note: The reported water use was down by 128,794 AF in CREP area from 2006 to 2007.]

3. Increase the frequency of meeting minimum desirable streamflows in the Arkansas River at the USGS gaging stations at Great Bend and Kinsley by 2020 from 71% and 52%, respectively, as measured in 1996-2004.

   No assessment of this objective has been made as of Decemebr31, 2008. The impact of enrollment of acres into the Upper Arkansas River CREP on minimum desirable streamflow will be made until after water rights have actually been terminated and had sufficient time to impact the system. Most the acres enrolled have just recently terminated the water rights, or are still allowed limited irrigation to establish vegetation on soils susceptible to wind erosion. Following is a summary of the anticipated methodology for this objective.

   There are three components to streamflow: frequency, magnitude and duration. Each of these components will be reviewed at the Great Bend and Kinsley MDS gage. The daily flow from 1960 to 2004 will be summarized into annual data. The summarization parameters include:

      1. The percent of time the MDS was not met (frequency of excursion).
      2. The volume of flow less than MDS as calculated by the difference between MDS and reported flow (magnitude of excursion).
      3. The maximum length in consecutive days that MDS was not met (duration of excursion).

   The frequency, magnitude and duration for which MDS was not met will be compared for the pre-CREP years (1960 –2006) to the post-MDS years (2007-2008). A nonparametric test, the Wilcoxon rank-sum, will be used to determine if a statistically discernable difference existed between the pre and post-MDS period.

The same comparison will be made using the pre and post-CREP period and the average annual Palmer Drought Severity Index (PDSI) for the region in which the MDS gage was located. This will create an index for the antecedent moisture conditions that will be a primary factor in determining each period's flow condition. One would expect that in those regions where the PDSI had become significantly greater (wetter), one should see a concomitant improvement in the magnitude, frequency or duration of the MDS condition.

Finally, the trend for the annual summarizations of the three components of flow will be assessed. This assessment will be used to determine whether there is a discernable trend in the annual frequency, magnitude or duration of minimum desirable stream flows through time (1960-2005).

4. Reduce stream flow transit losses due to inefficiencies in the delivery of the water by improving the channel and canal delivery system.

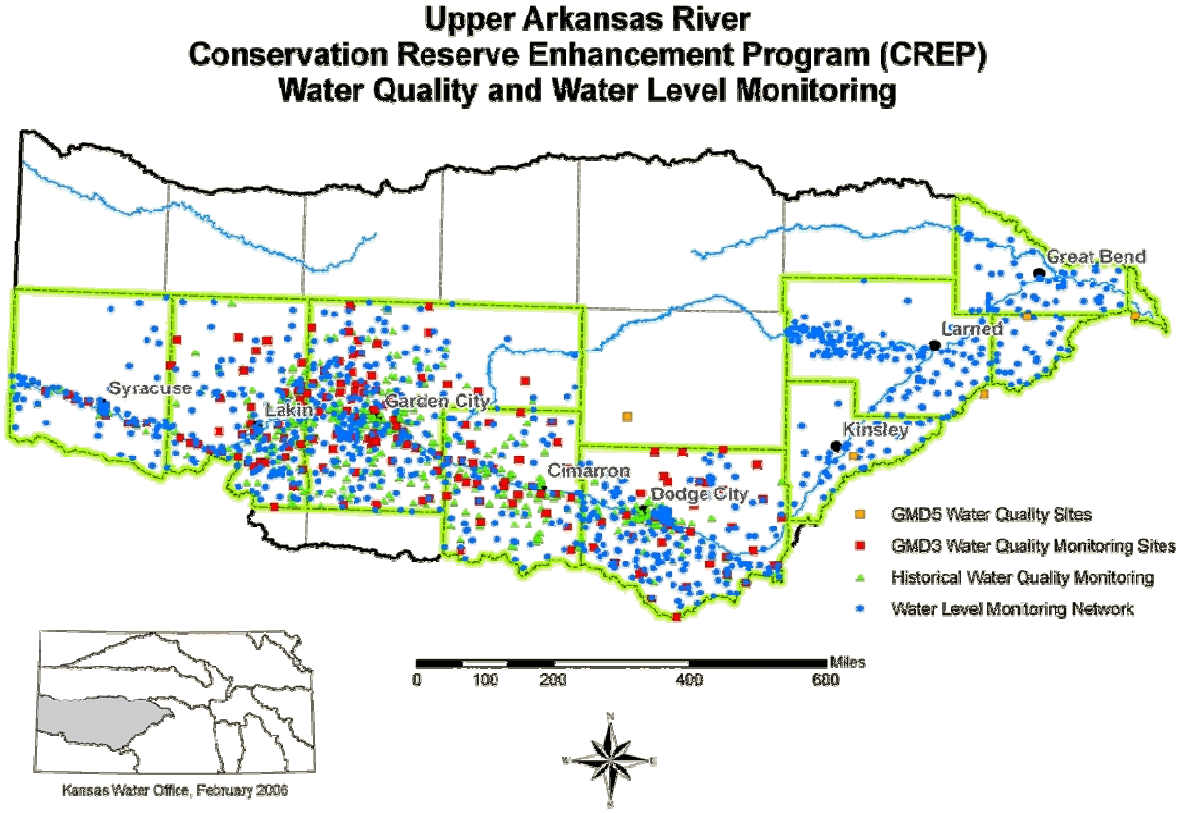
   No assessment of this objective has been made as of December 31, 2008. The improvements to the stream flow delivery system are in the process of being implemented.

5. Reduce the rate of ground water declines in the alluvial aquifer and the hydraulically connected High Plains aquifer in the CREP area by 2020 from those measured during the winter months for the past five years (2001 – 2005) and ten years (1996-2005).

   No assessment of this objective has been made as of December 31, 2008. The impact of enrollment of acres into the Upper Arkansas River CREP on ground water conditions will be made after water rights have been terminated. At the present time, limited irrigation is still provided on many of the enrolled acres to help establish vegetation, where the soils are highly susceptible to wind erosion. . Following is a summary of the anticipated methodology for this objective.

   Water levels have been monitored at least annually at numerous locations in the CREP counties. The map below includes the locations of historical water level measurements in the area. Groundwater Management District 5 obtains water level measurements from 25 wells in the CREP area. Annual measurements are collected from 14 of these wells and quarterly measurements of 11 wells are planned to continue. Data collected from each of these measurements will be used to assess the progress towards meeting this objective.

   Water levels within the boundaries of the CREP area, particularly in the areas where contracts are approved, will be measured over time. Depending on the level of change, the monitored changes could also be compared with predicted changes based on computer modeled scenarios.



Ground water quality and water level well locations within the CREP counties.

6. Reduce the outward migration of river salinity within the High Plains aquifer by 2020 from the currently projected extent based on 1990's ground water conditions in the Arkansas River valley.

   As of December 31, 2008, 8198.03 acres have been offered, approved and enrolled into the CREP program. Some of the offered acres are close to the stream, and most are south of the river. An assessment of this objective will be made in the future, once more acres are enrolled, and when most of the wells are permanently turned off. A number of the wells are still in use for limited irrigation to help establish permanent vegetative cover. While no formal assessment of this objective is made at this time, the state's comprehensive water quality monitoring network, as described below, will be used to determine progress in meeting this objective.

   Instream water quality and ground water quality have been recorded historically through monitoring programs at the state and local level. The Kansas Department of Health and Environment (KDHE) has a long-standing network of monitoring stations along the Arkansas River from Coolidge to Great Bend. These stations are the foundation for the TMDL work in the Upper Arkansas Basin. Two years of intensive bacteria sampling have been conducted with over eight sessions of sampling 5 times within 30 days along these stations on the Arkansas River, in accord with K.S.A. 82a-2001, et seq.

The existing stations will be used to assess future post-TMDL conditions, over the next 15 years. It is not expected that CREP will have an impact on the overall TDS levels in the river, however improvement is expected in the reduction of the advance of TDS or sulfate into the fresh water aquifers laterally from the river.

Ground water sampling has occurred at 183 sites within the basin in the Hamilton, Kearny, Finney, Gray and Ford counties in GMD3 by the GMD. Since 1988, 492 analyses have been obtained from this area. GMD3 monitoring is scheduled to continue, with these analyses available to evaluate CREP progress when appropriate.

Continuing east along the river, ground water quality monitoring in the area by GMD5 has been conducted for specific projects from 12 wells. This information can provide a basis for comparison in the future.

This data will provide water quality data from before CREP and the continuing monitoring program will enable data analysis to occur documenting impacts of the program. These along with the ground water monitoring for various state initiatives provide a baseline for post-CREP comparison. Stream and ground water samples will be analyzed to determine mineral content at a frequency appropriate to determine representative water quality at least on an annual basis. Sulfate, selenium and total dissolved solids will be quantified at a minimum. Ground water samples will be obtained for analysis and result comparison from wells with an analysis history. Wells with previous data will be monitored from both the alluvial and High Plains aquifers.

7. Reduce the bacterial, nutrient and pesticide levels in the Arkansas River in Edwards and Pawnee Counties by 2020 from the 1990 – 2000 levels.

   Bacteria impairments under the new state definition are in the middle reaches of the basin. Intense sampling for bacteria after 2015, concentrating on the Kinsley area, is planned. Additional data will be available through the monitoring network as described in Objective #6. However, an assessment of this objective will not be made at this time.

   As of December 31, 2008, 241.7 acres have been enrolled into the CREP program in Pawnee County. No acres have been offered in Edwards County.

8. Increase aquifer recharge and wildlife habitat by enrolling 400 acres of playa lakes and soils, and other suitable locations for shallow water development.

   As of December 31, 2008, no acres have been formally offered for the CP9 Shallow Water Areas practice. However, approximately 8 acres of playa soils occur on acres offered into the CREP program.

9. Reduce agricultural use of highly erodible soils with a goal of enrolling 7,000 acres that are unsuitable for dryland farming.

As of December 31, 2008, approximately 7510 acres of soils unsuitable for dryland farming have been enrolled in the CREP program. Approximately 107% of this objective has been met (the objective has been exceeded).

	Acres Enrolled as of September 30, 2008
Tier 1	469.9
Tier 1 Unsuitable Soils	7510.43
Tier 2	217.7
Total Acres Enrolled	**8198.03**

10. Reduce the amount of soil lost to erosion by approximately 80,000 tons per year on all acres enrolled in CREP.

    Soil erosion in the Upper Arkansas River Basin occurs primarily due to wind erosion. Water erosion is also a factor in soil erosion in the basin, but to a lesser extent. In comparison, wind erosion can reach 4 tons/acre whereas water erosion would total 0.3 ton/acre on the same soil types with the same cropping patterns and management practices. Factors that affect wind erosion include residue cover, field width, crop rotation intensity, and tillage operations (USDA 2006).

    With 8,198.03 acres enrolled in the CREP program as of December 31, 2008, the amount of soil lost to erosion will be reduced by about 32552.12 ton per year. Approximately 41% of this objective has been met. On all highly erodible soils, as determined by a soil I factor of 134 or greater, limited irrigated for up to two years will be a condition on the water right termination, to help establish vegetative cover. Prior to final contract approval, a conservation plan of operation will be prepared, and limited irrigation may be recommended.

Soil Erosion	
4 tons / acre/ year	8198 acres
Total soil erosion reduction	32,552.12 tons

11. Protect the ecological and recreational viability of the Cheyenne Bottoms with improved Arkansas River stream flow, as measured by an increase in the average, annual bird count at the Bottoms in 2015-2023 as recorded from 1996-2004, and with increased human visitation rates in 2015-2023 as recorded from 1996-2004.

    No assessment of this objective has been made as of December 31, 2008. The impact of enrollment of acres into the Upper Arkansas River CREP on the ecological and recreational viability of Cheyenne Bottoms will not be discernable until water rights have been terminated and wells turned off. Many application acres just recently had the associated water rights terminated, or have limited

irrigation to establish permanent vegetative cover. Monitoring of the average annual bird count and human visitation rates will continue.

12. Reduce energy consumption from an average of 59,850 kW-hr to less than 5,000 kW-hr per pivot for the first two years on pivots enrolled in the CREP. In subsequent years, energy consumption will be reduced to zero, as the pivots eligible for limited irrigation will be removed from the enrolled parcel. Total energy savings for the term of the CREP contracts will approach 8 million kW-hr.

    Kansas State University Research and Extension staff provided a rough estimate of energy consumption for a 125-acre center pivot in counties along the Upper Arkansas River. An average of 59,850 kW-hr per pivot per year was derived from their estimates.

    In the first two years of the program, offers made for acres that occur in soils unsuitable for dryland agriculture will have the opportunity to irrigate minimally to ensure establishment of grass cover. Therefore, a small amount of energy consumption will still be realized in the first years of the program.

    With 8,094.43 irrigated acres enrolled in the CREP program as of December 31, 2008, more than 3 million kW-hr of energy savings may be achieved each year. Approximately 58% of this objective has been met.

Energy Savings	
Irrigated Acres Enrolled as of December 31, 2008	8094.43 ac
Approximate Number of Center Pivots Retired	60 pivots
Average Energy Consumption per Pivot	59,850 kW
Total Energy Savings per Year (kW)	3,591,000

Irrigated Acres Offered as of January 8, 2008	12,834
Approximate Number of Center Pivots Retired	102.6
Average Energy Consumption per Pivot	59,850 kW
Total Energy Savings per year	**6,140,610 kW**

ATTACHMENT A
UPPER ARKANSAS RIVER CONSERVATION RESERVE ENHANCEMENT PROGRAM BROCHURE

Water savings program available for Upper Arkansas

The Conservation Reserve Enhancement Program affords potential benefits for both farmers and land and water resources in 10 counties along the upper Arkansas River. Landowners who enroll in CREP will receive 14 to 15 years of rental payments, a state sign-up bonus, and state, federal and private cost-share dollars. The water rights associated with the land enrolled will be permanently retired. Enrollment is continuous, but a 5,000-acre cap exists in each county.

What is CREP?

CREP is a targeted Conservation Reserve Program (CRP), a federal program administered by the USDA's Farm Service Agency (FSA), introduced in the mid-1980s. CRP was designed to prevent soil erosion, but also has provided water quality and wildlife habitat benefits. CREP allows the focus to be on a state resource concern; in this case, water conservation.

What are the water resource benefits?

The program will have multiple water resource benefits. Reducing irrigation demands on the stream-aquifer system will help slow aquifer declines. It will also help reduce the spread of saline river water into the aquifer and help restore stream and riparian health. Among the approved practices eligible for cost share money are native grass seeding, wildlife habitat establishment, shallow water area construction, wetland restoration and filter strip and riparian buffer installation.

Are there targeted areas?

The program places priority on acreage where the retirement of the land and attendant water rights would have the greatest conservation benefit on the ground water and river system and protect the wind erosion prone soils. Acres in Tier 1 are closest to the river, or are soils that are most prone to wind erosion. Acres in Tier 2 will have a measurable, although lower effect. Sign-up incentives of $62 /acre, Tier 1; and $35/acre, Tier 2 are in addition to annual federal rental payments. See map on flip side.

Are there wildlife benefits?

The conservation practices to be implemented open a host of opportunities for wildlife and revenue streams related to hunting, bird watching and other forms of eco-tourism.

Benefits to Farmers

- Federal annual irrigated rental and maintenance payments for 14 to 15 years.
- Rental payment on dryland cropland (i.e., center pivot corners) that's part of a whole field enrollment. Payment based on main soil type.
- State upfront payment of $62 or $35 per irrigated acre based on land location or soils
- 50 percent cost share on seeding
- Pheasants Forever will provide up to $500 per producer to offset farmers' seeding costs.
- Well plugging cost share of $1,000/well (State)
- Bonus payment of $350/acre for shallow water area development where it also can serve to recharge the aquifer. (State)
- Tamarisk treatment cost of $500/acre (State)
- Land can be leased for hunting

Eligibility Criteria

Federal and state eligibility criteria must be met to enroll your land in CREP. This partial list of the criteria will help you to screen yourself in advance. Your local FSA office has a data base to use to screen your application on these counts and others.

- At least one-half acre foot of water was applied four out of six years (2002-2007)
- At least 50 percent of the maximum annual quantity authorized to be diverted under the water right has been used in any three years from 2001 through 2005.
- Half or more of the offered land must be located within the CREP boundary.

For more information contact:

Steve Frost, CREP Coordinator, State Conservation Commission, (785) 296-3600, sfrost@scc.ks.gov

Rod Winkler, USDA-FSA, (785) 539-3534, rod.winkler@ks.usda.gov

Applicants' Water Right Questions:

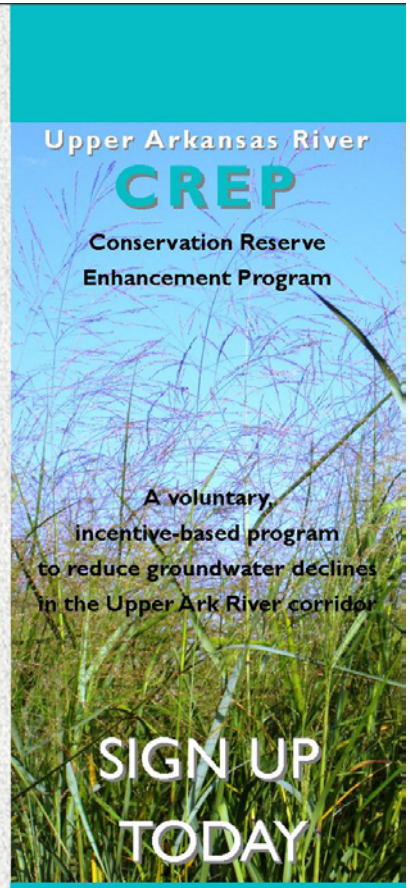
Kansas Dept. of Ag/ Water Resources Division (785) 296-6081

GMD No. 3. Garden City, (620) 275-7147

GMD No. 5, Stafford, (316) 234-5352

Farm Service Agencies (FSA)

Barton	**(620)792-5329**
Edwards	**(620) 659-3142**
Finney	**(620) 275-0211**
Ford	**(620) 227-3731**
Gray	**(620) 855-3515**
Hamilton	**(620) 384-6955**
Kearny	**(620) 355-7911**
Pawnee	**(620) 285-2821**
Rice	**(620) 257-5184**
Stafford	**(620) 549-3321**



Sign-up at your local

Farm Service Agency Office

1-2-3 of Sign-up

As you decide whether CREP enrollment fits your business plan, you'll be working with the Farm Service Agency (FSA) , the State Conservation Commission (SCC) and Natural Resources Conservation Service (NRCS) Here are the steps.

1.First stop is your local FSA office. FSA personnel will use a CREP data base to determine whether at least half of the irrigated land voluntarily offered for enrollment lies within the CREP boundaries and if minimum water use criteria have been met. They also will be able to provide eligible producers with a preliminary estimate of rental and upfront payments.

2. Any questions on water rights will be referred to the KDA-Division of Water Resources (KDA-DWR) or Groundwater Management District No. 3 or 5. Producers whose land is accepted into the voluntary program are expected to permanently retire the associated water right (s). The right, however, is not retired unless the acres are accepted for enrollment in the voluntary CREP contract.

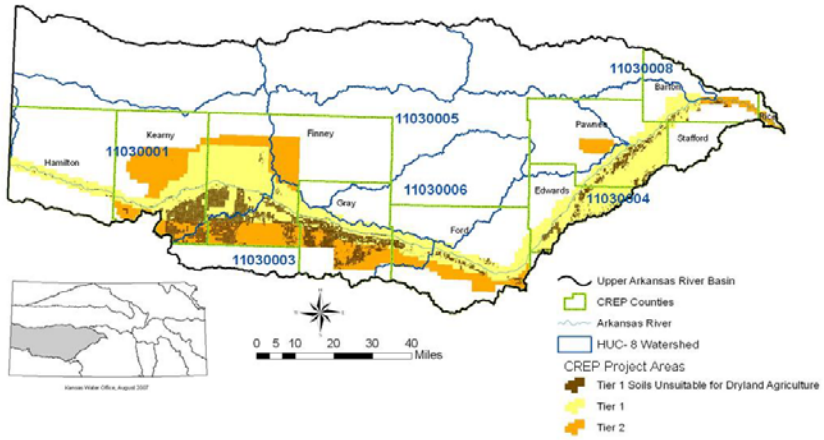
3. The State Conservation Commission will make the state's upfront payments and practice cost share payments on approved CREP contracts.

Ark River CREP Partners

Working partners include: USDA Farm Service Agency, SCC, Natural Resources Conservation Service, Southwest Kansas GMD No. 3, Big Bend GMD No. 5, KDA-DWR, Pheasants Forever and the Kansas Water Office.

Upper Arkansas River Conservation Reserve Enhancement Program

(Rental rates for pivot, SDI and flood irrigated land are keyed to the Hydrologic Unit (HUC-8 Watershed)



Irrigated Rental Rate per Acre by HUC-8 Watershed *						
HUC-8 Watershed	11030001	11030003	11030004	11030005	11030006	11030008
Center Pivot and Subsurface Drip	$110	$115	$125	$120	$120	$125
Flood	$100	$105	$115	$110	$110	$115

* An annual federal maintenance payment of $2 per acre also will be made.

Conservation Cost Share Practices

A 50% cost share is offered for native grass seeding, wildlife habitat establishment, shallow water areas, filter strips, riparian buffers and seeding as part of a wetland restoration program.

A 25% hydrologic payment is made for wetland restoration projects.

Both the filter strip and riparian buffer practices are eligible for a sign-up incentive payment of $100 and a 40% practice incentive payment.

Reminders

- First come, first served
- Only 5,000 acres/county
- Enrollment through June 30, 2009

ATTACHMENT B:

UPPER ARKANSAS RIVER CONSERVATION RESERVE ENHANCEMENT PROGRAM OUTREACH

December 2007 - December 2008 Outreach for the Conservation Reserve Enhancement Program

Events (Brochure distribution and conversation)

Stakeholder Meeting, Garden City, GMD3, December, 2007
Conservation District Meetings in the 10-counties in CREP area Jan. 11 - Feb. 28, 2008
Big Bend Groundwater Management Meeting, Stafford, February 7, 2008
No-till on the Plains, Salina, Kansas, January 2008
3i Show, Great Bend, Kansas, May 2008
Upper Arkansas Basin Advisory Committee public meeting, Jetmore, May 21, 2008
Upper Arkansas Basin Advisory Committee public meeting, Garden City, July 16, 2008
Kansas State University Agronomy Day, August 2008
Kansas Agribusiness Expo, November 2008
CREP Producer Outreach Information Meeting – Larned, December 12, 2008
CREP Producer Outreach Information Meeting – Garden City, December 17, 2008
CREP Producer Outreach Information Meeting – Dodge City, December 18, 2008

Brochures/Posters

Updated CREP promotional poster to be distributed in December at CREP informational meetings in December to FSA offices and Conservation Districts

Updated CREP promotional brochure for distribution by State Conservation Commission at stakeholder meetings in August.

Updated CREP promotional brochure used at K-State Agronomy Day.

Updated CREP promotional brochure used at Kansas Agribusiness Expo.

Articles

- **Establishment of Upper Arkansas River CREP**, (December, 2007, Governor Sebelius and Kansas Water Office press release)
- ***Upper Arkansas River CREP Attracts More Than 12,000 Acres in Seven Days*** (January 2008 Kansas Water Office HydroGram)
- ***CREP Conservation Practices Include Aquifer Recharge*** (January 2008 Kansas Water Office HydroGram)
- ***Conservation Reserve Enhancement Program Benefits Water Resources & Farmers*** (September 2008 Kansas Water Office HydroGram)
- ***Response to Hutchinson Daily News editorial by State Conservation Commission executive director on behalf of the Kansas Department of Agriculture, Kansas Department of Wildlife and Parks and the Kansas Water Office*** (November 2008)
- **Congressional funding measure keeps CRP rolls open** (January 2008 news release)
  Pratt newspaper article on Kansas Department of Wildlife and Parks conducting a wildlife impact survey starting last spring per an article, as part of the CREP effort.

ATTACHMENT C
PROCESS FOR IMPLEMENTING UPPER ARKANSAS RIVER CREP IN KANSAS

STEP	ACTION	RESULT
1. Initial Application with FSA	a. Producer visits local FSA office and provides a recent water use report with water user permit number for offered acreage. FSA enters water right number in CREP database to determine general eligibility. Note: When 2008 farm bill is effective, use updated database with 2002-2007 base years for federal eligibility.	a. FSA enters water right number into database and a register number is automatically assigned. This state developed database indicates eligibility based on water right information and location.
	b. If a water right is ineligible and no registry number is assigned, print a screen capture and send an electronic copy to State CREP coordinator. If ineligible and a registry number is assigned, save the file and notify State CREP coordinator.	b. If ineligible on CREP database, process stops here. Producer can contact DWR or GMD to review water use history.
	c. If producer's water right meets basic eligibility as determined by CREP database, producer identifies physical location of acres and CREP practice (identify on an aerial photo). FSA uses CRP-GIS tool, and determine total # acres within CREP boundary and within HUCs. FSA estimates federal payment rate through CREP calculator. FSA reviews with producer total incentive package on another tab (includes state upfront payments, cost share, SIPs, PIPs if apply, etc.) NOTE: FSA follows normal continuous enrollment processing found in 2-CRP, Part 6, Section 3.	c. Save an electronic copy of estimated total CREP payments and send to CREP coordinator.
	c. Producer initiates process by signing CRP-2C and CRP-1. NOTE: Applicant signs CRP-2C and CRP-1 based on application acres. The forms will be finalized based on actual contracted acres after water right review.	
	d. FSA informs producer of process and works in conjunction with NRCS to determine appropriate practice, if necessary. FSA refers client to NRCS for initial consultation on grass establishment and necessary commitment to achieve cover establishment. Producer is provided a sheet explaining the process and practices. If producer has questions on the process, he/she is directed to a) DWR or GMD on water right termination issues; b) SCC for state upfront payments and Shareholder Agreement; and c) KWO for wetland bonus payment. **NOTE: No water right is terminated without an approved, signed CREP contract.**	d. State forms are updated with producer information from CREP Calculator tab. FSA prints out a copy for producer, but send to state staff for additional information. Producer is to sign, get additional signatures if needed, make a copy for personal record, and mail all state forms to State CREP Coordinator.

2. FSA	a. Determination of basic Federal CREP Eligibility (FSA County Office) Example: ownership, person, land, practice, cropping history, CRP acreage cap. Ensure all eligibility requirements as provided in subparagraph 112 in 2-CRP Procedures Manual are met. b. If eligible, FSA recommends conservation practices for application acres, and FSA provides NRCS a copy of CRP-2C. Copy State CREP Coordinator and producer on CRP-2C and map with recommended practices. *c.* If ineligible based on federal criteria, FSA notifies producer and copies State CREP coordinator. Explain appeals process to applicant.	a. FSA enters supplemental information related to practices and acres offered into CREP database. b. If eligible, process moves forward with NRCS and State CREP coordinator. c. If ineligible on federal criteria, producer can review with FSA.
3. SCC	a. State CREP Coordinator receives CRP-2C and map from FSA, and reviews for state eligibility, including county cap of 25% of total CREP acres. If not eligible, inform producer of finding and explain review process. State CREP coordinator determines predominant tier of irrigated acres in application, in consultation with FSA office. b. If eligible, State CREP Coordinator mails applicant a packet that includes: • Water right termination agreement (KCREP_WRT_01), • Partially completed CSIMs form for the state upfront payments (SUP) (WR-2008-4) to be completed by producers and return to State CREP Coordinator, • For eligible counties (Hamilton, Kearny, and/or Finney) State form for wetland bonus form is provided only to applicants physically located in CP9 Bonus Eligible Areas; Exhibit 50, and/or • Shareholder Agreement (KCREP_SA_03). NOTE: No water right is terminated without an approved, signed CREP contract. c. CREP coordinator receives signed forms from producer. d. Review water right termination form for manageable unit and eligibility. 1) Identify if water right needs to be divided or if application acres have overlapping water rights. If yes, go to Step 3B. 2) Identify if application acres have both a ground water right and ditch water irrigation. If yes, go to Step 3C. 3) Identify if application acres include soils unsuitable for dryland farming (I≥134); if yes, notify owner he/she has option of requesting limited irrigation condition on water right termination to establish vegetative cover.	a. If applicant doesn't meet state eligibility, explain applicant can meet with SCC to review application. Predominant tier will determine SUP rate. b. State forms are updated with producer information from CREP calculator, and mailed with instructions. Instructions are to include explanation that water right termination is for manageable unit. If water right needs to be divided or if application acres have overlapping water rights, they need to visit DWR or GMD. If application acres have both a ground water right and ditch water irrigation, they need to have a form signed by Ditch/Canal Company (KCREP_SA_03). d. If needed, CREP coordinator notifies producer to meet with DWR on water right changes, or to get signatures on shareholder agreement and return to SCC (see 3B and 3C). Copy DWR on the referral. Owner may have limited irrigation option if acres include soils unsuitable for dryland farming, and discuss it with FSA as part of CPO, and request it from DWR, if desired.

	e. After steps 3B & 3C are complete, if needed, and application meets state eligibility, sign water right termination form and forward it to DWR and copy FSA County Office with current status of application and file completion. f. Enter necessary information on application for SUP. g. Check GIS coverage for Tamarisk on application acres; note it on a file with applicant's name and HUC 8. h. Forward to KWO contract sheet for wetland bonus on CP-9, if applicable, with update on application status. i. Notify producer if application meets state eligibility and if all forms are in order. Provide information on State cost share for well plugging and tamarisk control and see if interested in participation.	e. Inform FSA office and producer on preliminary status of state eligibility and file completion. f. SUP is to be shared with participants in same arrangement as on CRP contract. g. Notify SCC Tamarisk control Program Manager h. Wetland bonus is to be shared with participants in same arrangement as on CRP contract.
3B. DWR and SCC	<u>If needed</u>: a. Applicant meets with DWR or GMD to request necessary changes on water right. DWR or GMD flag change forms as a CREP Application. b. DWR completes process to adjust water right or place of use, so that a water right can be retired on CREP application acres. c. State CREP coordinator re-evaluates application based on split water right or adjusted application acres to confirm eligibility and maximum acres.	a. Water right may need to be legally split or eligible place of use adjusted, so that a manageable unit is available for CREP enrollment. b. DWR copies CREP coordinator on changed water right information. c. SCC notifies producer and FSA County Office of re-evaluated application, maximum acres and file completeness.
3C. SCC	<u>If needed</u>: a. CREP Coordinator receives a signed copy of CREP Shareholder Agreement (KCREP_SA_03). Application acres with both a ditch surface irrigation and a ground water right, must file this form to not deliver ditch company surface water on specific tract(s) while enrolled in a CREP contract. b. When CREP Coordinator receives a fully signed form, update CREP database, and notify FSA County office and DWR.	a. Applicant gets Irrigation Association or Ditch Company's signature, and returns signed shareholder agreement to CREP Coordinator. b. Enrolled acres cannot be irrigated by surface water during the life of the CREP contract. The associated ground water right must be terminated.
4. DWR	Receives owner and SCC signed water right termination form. NOTE: **The termination of the water right is conditional upon final approval of CREP contract**. The CRP-1 is not approved by the COC at this point.	a. Water right termination form will be held by DWR, and cannot be processed without a copy of producer and FSA signed CRP-1

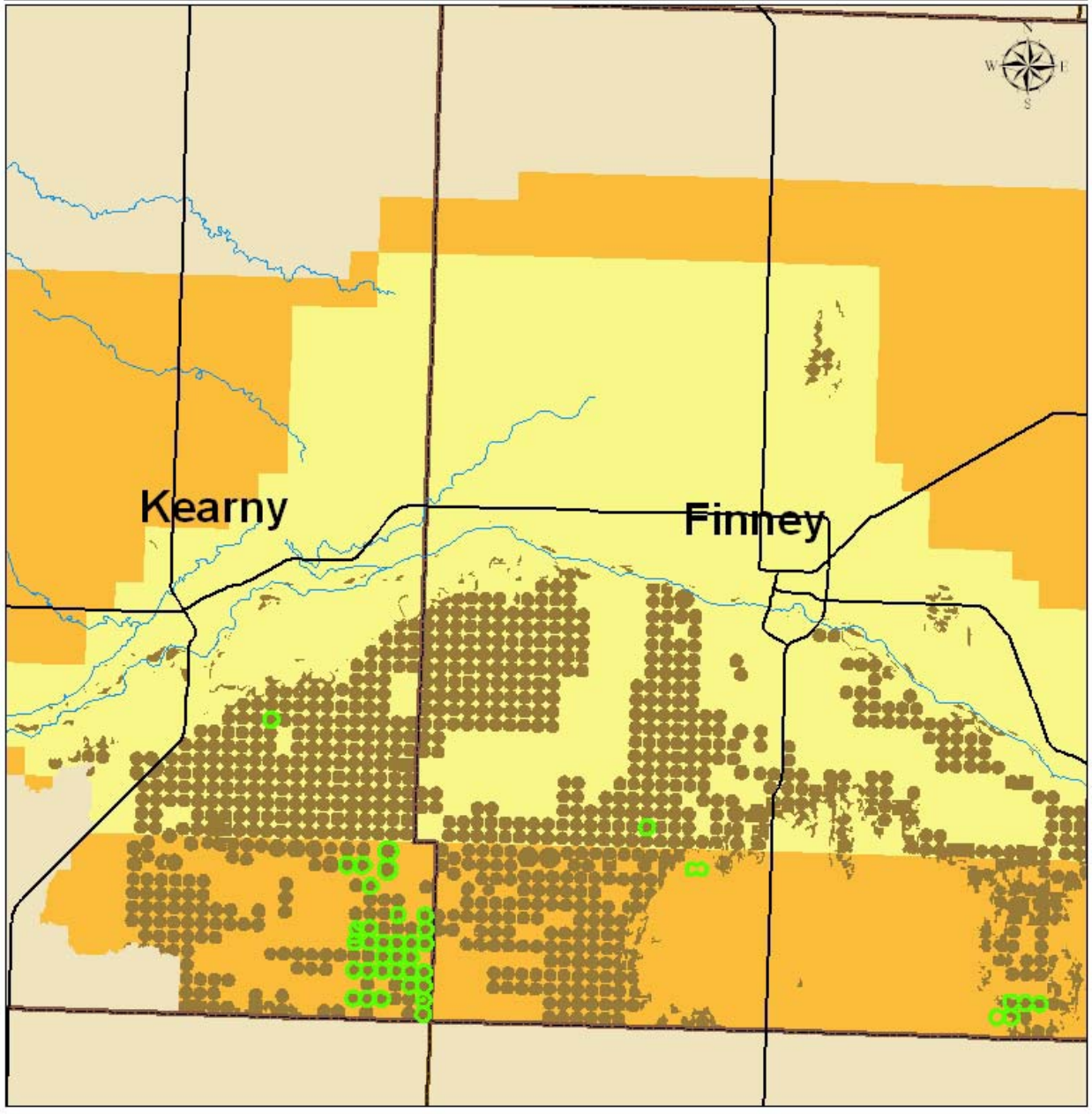
		contract.
5. NRCS	NRCS makes a site visit to determine suitability of practice, needs and feasibility. For CP2 on soils unsuitable for dryland farming, NRCS or TSP tries to make a site visit with the producer to determine if a cover crop is needed prior to grass seeding and discuss transition to permanent vegetative cover. On all CREP fields, NRCS/TSP will make a site visit with the participant and CED to determine adequacy of cover crop and to jointly discuss the transition to permanent vegetative cover.	NRCS notify FSA County Office of practice suitability. Use CRP-2C form. Enter into CREP database when field visits completed and when field will be seeded.
6. FSA and NRCS	a. When SCC indicates application file is complete, FSA makes an appointment with applicant to finalize application at county office. b. FSA completes CRP-2C and CRP-1 for irrigated & dryland acres. NRCS develops CPO, and fills out CPA-52, CED signs CPA-52.. Identify if soil and climate conditions make this site at risk for wind erosion during seeding and special cover crop considerations should be included. Provide Kansas Conservation Reserve Program Technical Guidance Document to producers to improve permanent vegetation establishment success on soils unsuitable for dryland farming (I= or >134) c. Provide Kansas Conservation Reserve Program Technical Guidance Document to producers to improve permanent vegetation establishment success on soils unsuitable for dryland farming (I= or > 134).	a. Finalize application and adjust final contracted acreage at the county office. Enter the effective date and actual contracted acreage and practice totals to the CREP database.
7. FSA with producer	a. County FSA meets with producer to complete application materials. b. Producer signs CPO. c. FSA notifies State CREP Coordinator that producer has signed CRP-1 and CRP-2C.	
8. FSA DWR SCC	a. FSA County office confirms by faxed receipt, and verifies by CREP database, that water termination agreement has been signed by producer and evaluated by DWR. b. COC approves CRP-1 and CPO. c. FSA send a copy of CRP-1 and map to DWR Appropriations Manager and to State CREP Coordinator, and notifies NRCS. **Important**: County office must redact (strike) the participants' taxpayer id number(s) prior to providing a copy of the CRP-1 to Kansas Dept. of Agriculture, Division of Water Resources or SCC.	a. SCC updates CREP database when water right termination agreement has been signed and evaluated by DWR b. FSA notifies producer. c. FSA County office updates CREP database with COC approval date.
9. DWR	a. DWR receives the copy of signed CRP-1 and issues the water right termination order by the Chief Engineer. DWR sends order to owner, with a reminder owner is responsible	a. As applicable, FSA approves and pays SIP.

SCC FSA	for filing a copy with County Registrar of Deeds. DWR provides a copy to State CREP coordinator. b. SCC notifies FSA county office of agreement completion, and updates CREP database.	 b. As applicable, State CREP Coordinator approves and pays SUP to participants as share on CRP contract.
10. NRCS or producer FSA SCC KWO	a. NRCS conducts an on-site review of practice installation and submits to FSA certified AD-862 certifying installation, or producer submitted certification of practice (Form AD-245). b. FSA sends a copy of AD-862 or AD-245 to Pheasants Forever/Quail Forever, and CREP coordinator. CREP coordinator notifies KWO of CP-9 practice installation, where eligible for wetland bonus payment, and updates CREP database.	a. As applicable, FSA issues PIPs, Hydrology, and cost share payments. b. PF/QF pays up to $500 / producer for seeding cost share. KWO pays wetland bonus on CP-9, to participants as share on CRP contract.

ATTACHMENT D:

MAPS OF ACRES OFFERED FOR ENROLLMENT IN THE UPPER ARKANSAS RIVER CONSERVATION RESERVE ENHANCEMENT PROGRAM (CREP) BY COUNTY AS OF DECEMBER 31, 2008

Upper Arkansas River
Conservation Reserve Enhancement Program (CREP)
Acres Enrolled in CREP Program as of December 31, 2008



Enrolled Acres

CREP Project Areas

Tier 1

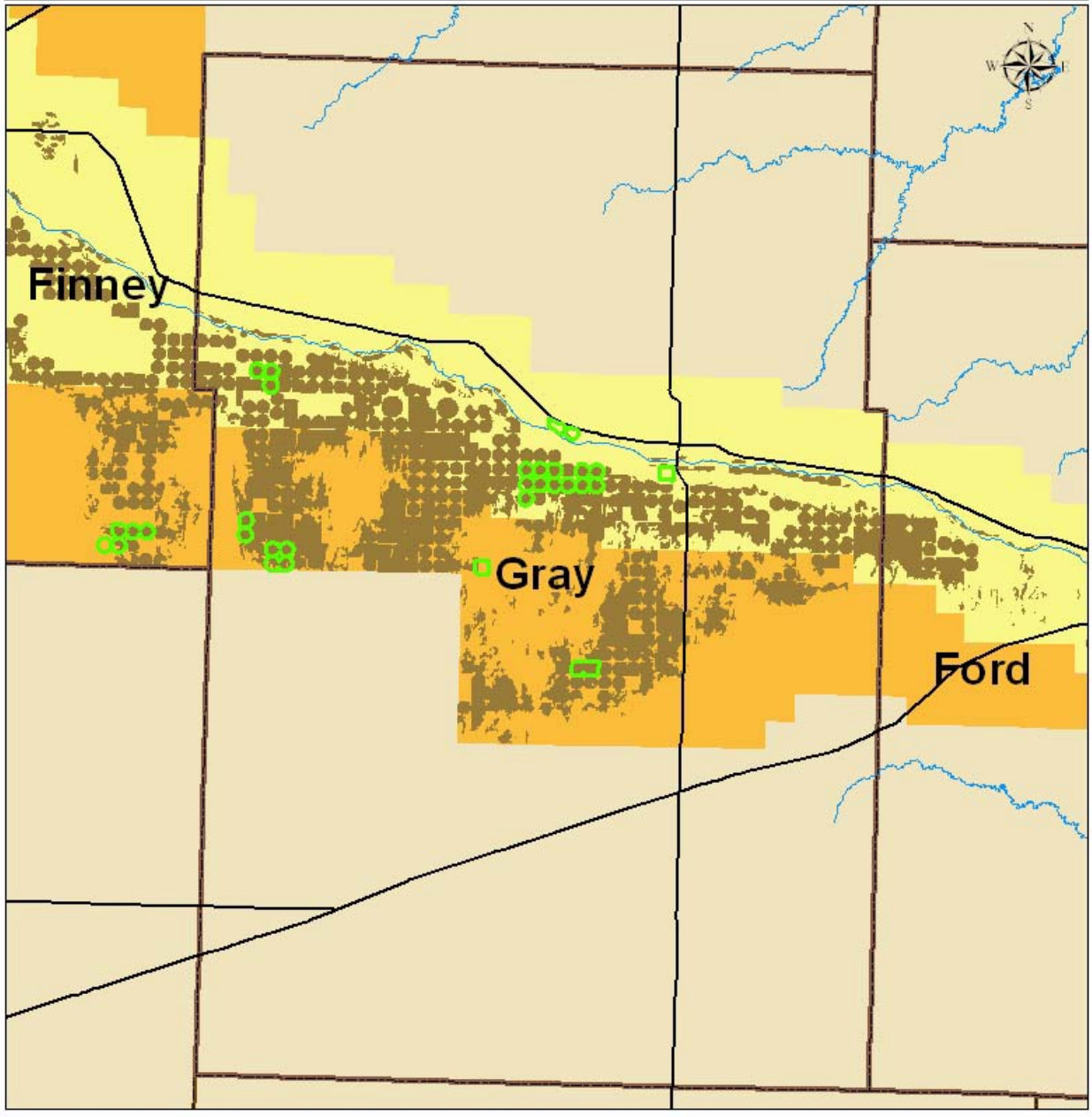
Tier 1 Soils Unsuitable for Dryland Agriculture

Tier 2

County

5 2.5 0 5 Miles

Upper Arkansas River
Conservation Reserve Enhancement Program (CREP)
Acres Enrolled in CREP Program as of December 31, 2008



Enrolled Acres

CREP Project Areas

Tier 1

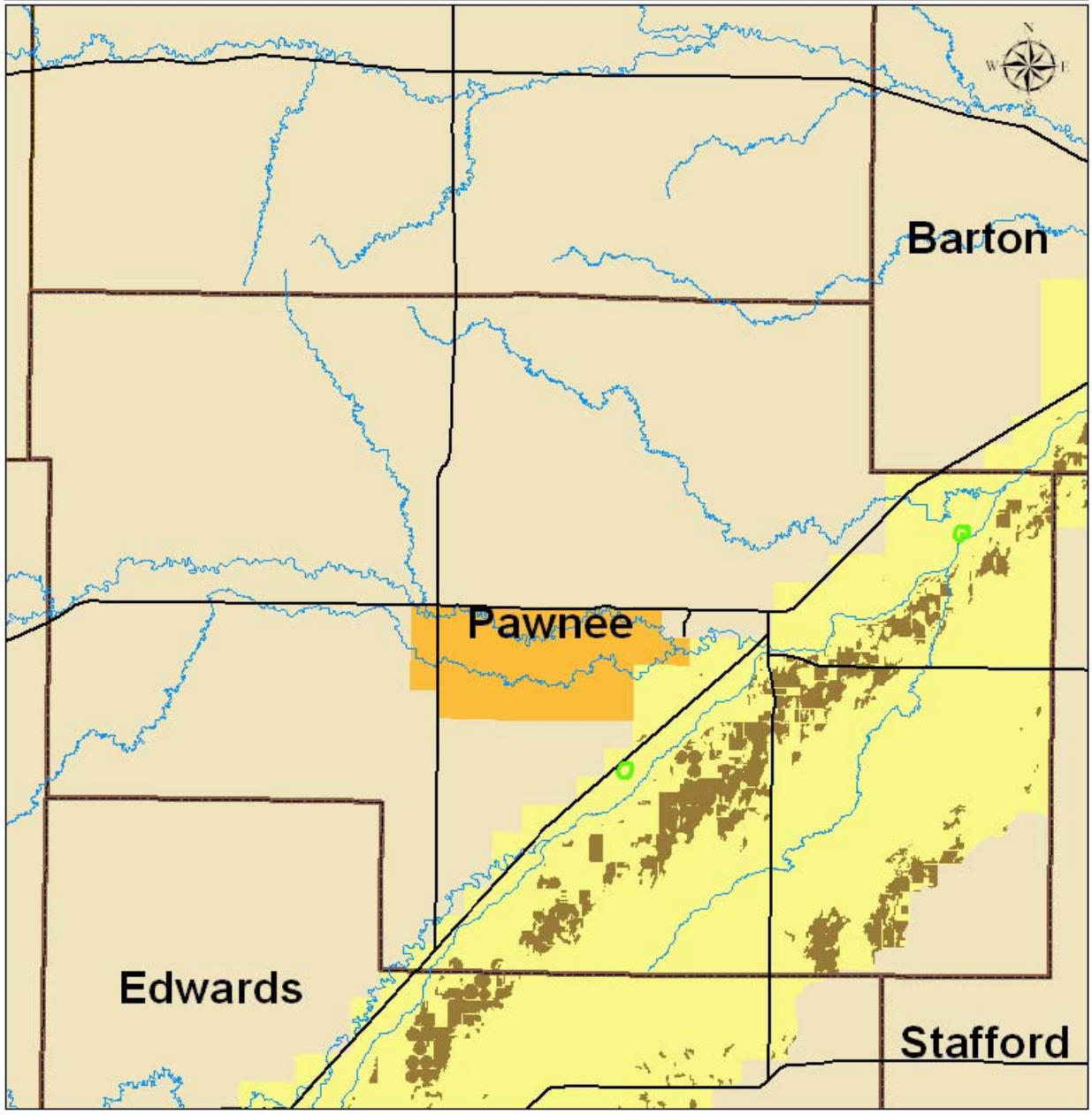
Tier 1 Soils Unsuitable for Dryland Agriculture

Tier 2

County

5 2.5 0 5 Miles

Upper Arkansas River
Conservation Reserve Enhancement Program (CREP)
Acres Enrolled in CREP Program as of December 31, 2008



Enrolled Acres

CREP Project Areas

Tier 1

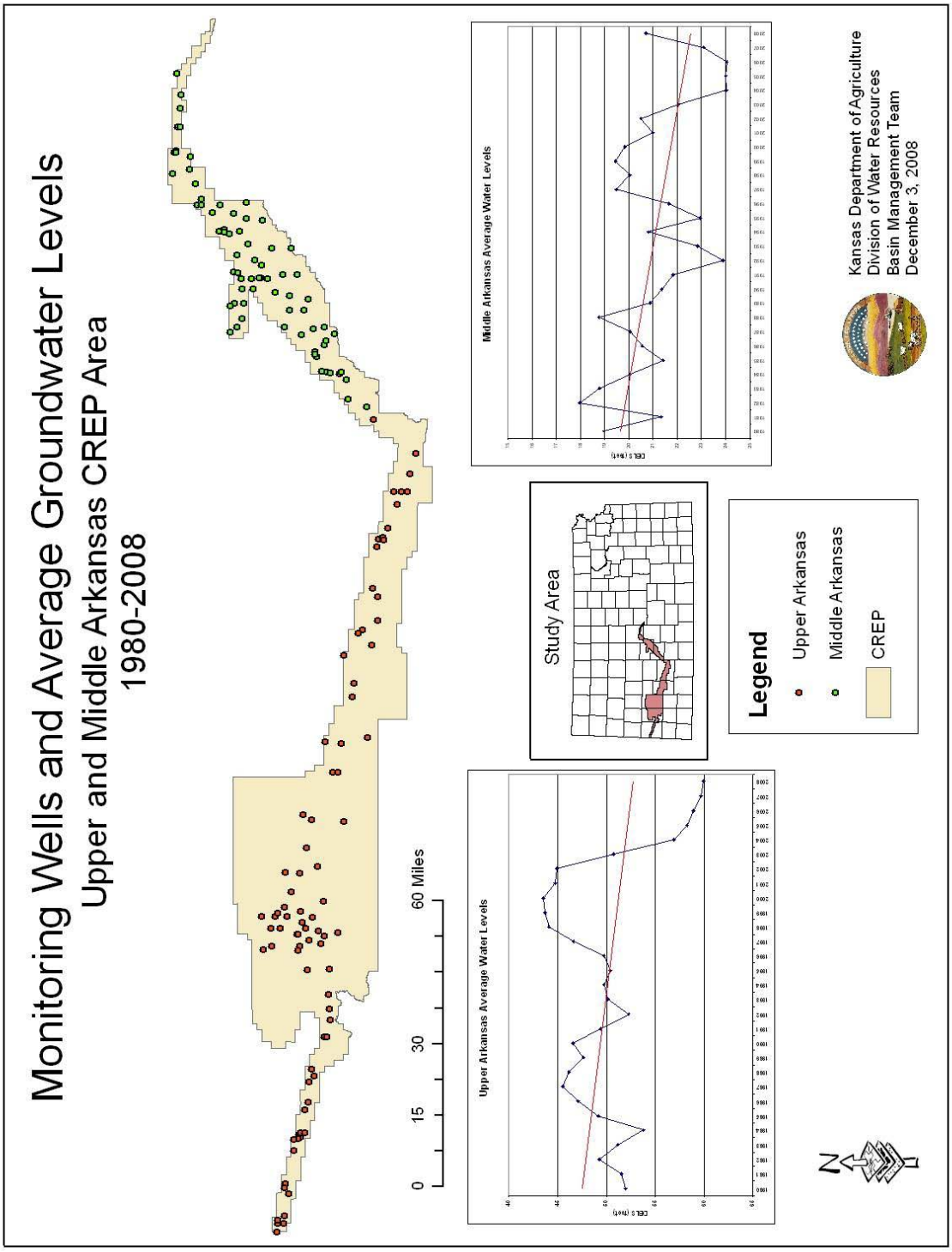
Tier 1 Soils Unsuitable for Dryland Agriculture

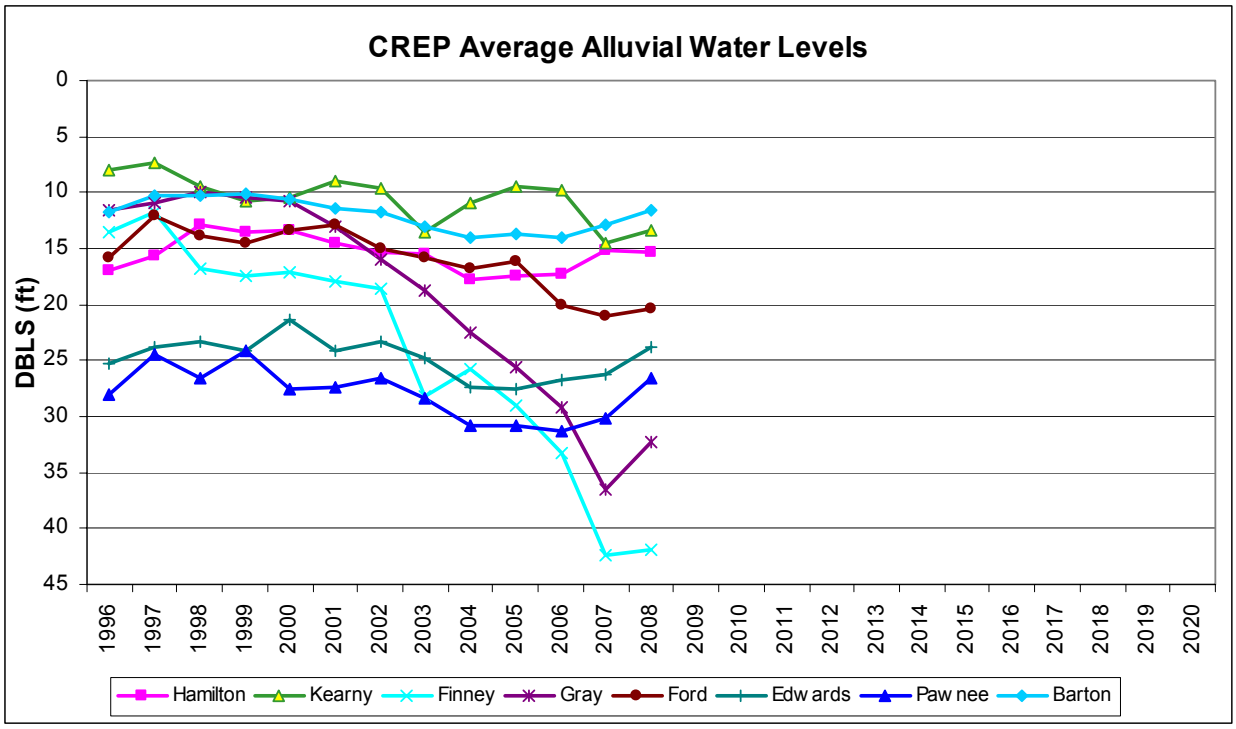
Tier 2

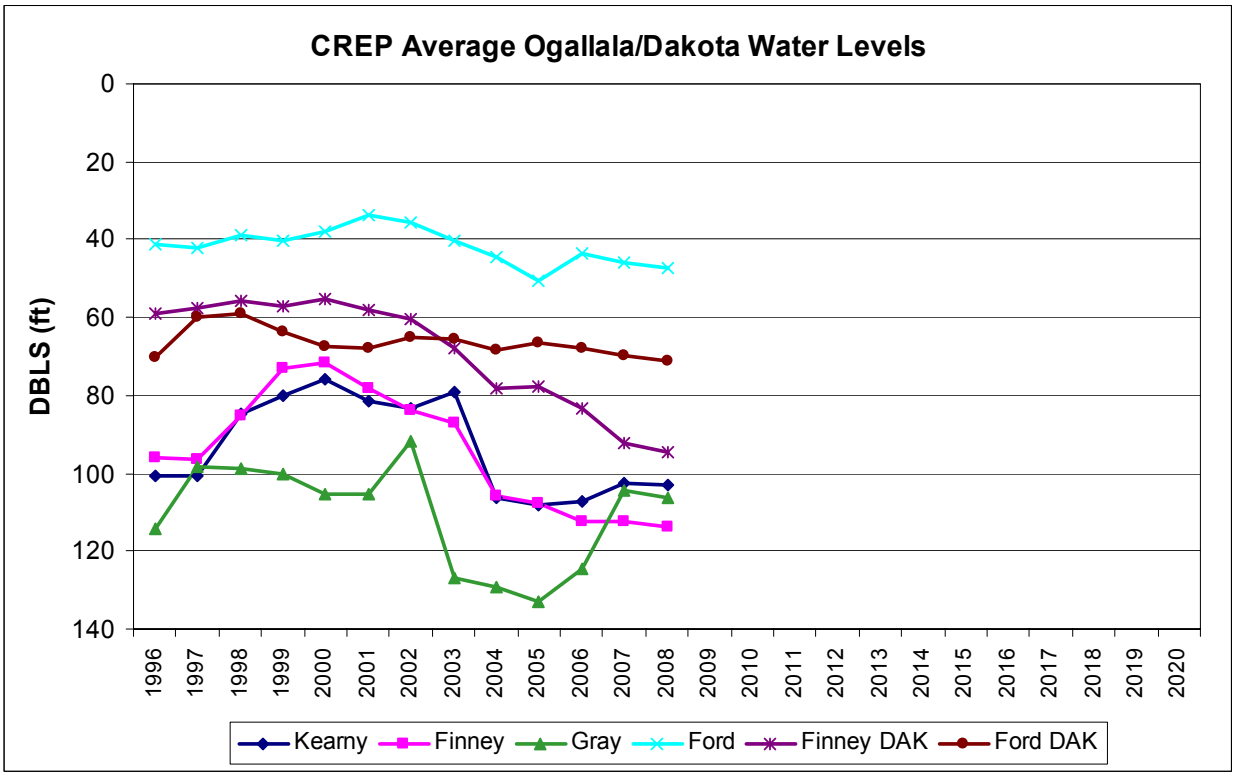
County

5 2.5 0 5 Miles

ATTACHMENT E: MONITORING WELLS AND AVERAGE GROUNDWATER LEVELS




CREP Average Alluvial Water Levels
DBLS (ft)
0
5
10
15
20
25
30
35
40
45
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Hamilton
Kearny
Finney
Gray
Ford
Edwards
Pawnee
Barton


CREP Average Ogallala/Dakota Water Levels
DBLS (ft)
0
20
40
60
80
100
120
140
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Kearny
Finney
Gray
Ford
Finney DAK
Ford DAK

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